

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2145 – SB 2100**

March 18, 2016

**SUMMARY OF ORIGINAL BILL:** Authorizes Rutherford County, upon the adoption of a resolution by a two-thirds majority vote of its legislative body, to impose a privilege tax on litigation on all civil and criminal cases, in an amount not to exceed \$25 per case. Requires any revenue collected from such tax to be used for the construction and maintenance of a jail, workhouse, juvenile detention center, or courthouse, or to retire debt of such jail, workhouse, juvenile detention center, and courthouse construction and maintenance projects.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase Local Revenue – \$285,600/Rutherford County/Permissive

**SUMMARY OF AMENDMENT (014341):** Deletes and replaces language of the bill to establish that the maximum amount of the privilege tax that can be imposed is \$50 per case, instead of \$25 per case.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase Local Revenue – \$571,200/Rutherford County/Permissive**

Assumptions for the bill as amended:

- The impact of the bill is dependent upon the number of civil and criminal cases in Rutherford County and the dollar amount of the litigation tax adopted.
- The Administrative Office of the Courts reports that there were approximately 11,424 civil and criminal cases filed in the Rutherford County Circuit, Chancery and Criminal courts in FY14-15. This number is assumed to remain constant in subsequent years.
- Given the revenue from any such litigation tax will be earmarked for construction or maintenance of a local jail if adopted, it is assumed the maximum allowable privilege tax of \$50 would be levied against all applicable cases.
- The permissive and recurring increase in local revenue (to Rutherford County) is reasonably estimated to exceed be \$571,200 (11,424 cases x \$50 tax).
- Any permissive increase in local government expenditures for counties that adopt a resolution to assess the privilege tax is estimated to be not significant.

**HB 2145 – SB 2100**

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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